

Amendment to HB 1434

1 Amend the bill by replacing all after the enacting clause with the following:

2  
3 1 Findings.

4 I. New Hampshire signed a Memorandum of Understanding (MOU) with 9 other states  
5 wherein each state agreed to propose legislation or seek regulatory approval to implement an  
6 electric power sector cap and trade program on CO<sub>2</sub> emissions, known as the regional  
7 greenhouse gas initiative (RGGI). The MOU outlines the primary elements of RGGI including:

8 (a) Establishing a total CO<sub>2</sub> emissions allowance cap for the region as well as  
9 individual state allowance budgets;

10 (b) Setting aside a minimum of 25 percent of the state's allowances for consumer  
11 benefit and other strategic energy purposes;

12 (c) The limited use of documented CO<sub>2</sub> emission reductions outside the electric  
13 power sector to help with compliance and the expanded use of such reductions when certain  
14 price thresholds for allowances are exceeded; and

15 (d) Cooperation with other states in implementing the RGGI program.

16 II. RGGI is a modest first step in addressing greenhouse gas emissions consistent with  
17 the direction of the New England Governors/ Eastern Canadian Premiers goals and provides  
18 leadership in promoting a federal or international plan.

19 III. According to a recent economic study by the University of New Hampshire,  
20 implementation of the regional greenhouse gas initiative is in the best economic interests of  
21 New Hampshire and investment in energy efficiency and conservation will help to reduce  
22 energy costs for New Hampshire citizens.

23 IV. For these reasons, the general court supports the implementation of RGGI to  
24 achieve CO<sub>2</sub> emissions reductions through an electric power sector cap and trade program  
25 that encourages energy conservation and efficiency.

26 2 New Subdivision; Regional Greenhouse Gas Initiative. Amend RSA 125-O by inserting  
27 after section 18 the following new subdivision:

28 Regional Greenhouse Gas Initiative

29 125-O:19 Statement of Purpose and Findings. The general court finds that global climate  
30 change is a significant environmental problem which could already be contributing to changes  
31 in New Hampshire average temperatures, frequency of extreme storm events, number of days  
32 with snow cover, timing of spring river flows, and date of spring blooms. Recent studies and

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1 scientific evidence indicate that global climate change is caused by a buildup of natural and  
2 manmade greenhouse gases in the atmosphere. Carbon dioxide (CO<sub>2</sub>) is a significant  
3 greenhouse gas that contributes to global climate change. Therefore, the purpose of this  
4 subdivision is to reduce greenhouse gas emissions resulting from energy use in New  
5 Hampshire.

6 125-O:20 Definitions. In this subdivision:

7 I. "Affected CO<sub>2</sub> source" means any source with one or more fossil fuel-fired electricity  
8 generating units having a nameplate rated capacity equal to or greater than 25 megawatts.

9 II. "Budget allowances" means those RGGI allowances comprising the state annual  
10 budget for CO<sub>2</sub> emissions specified in RSA 125-O:21, II.

11 III. "Commission" means the public utilities commission.

12 IV. "Compliance period" means a 3 calendar year time period, unless extended one  
13 calendar year by a stage-2 trigger event. The first compliance period is from January 1, 2009  
14 to December 31, 2011, unless a stage-2 trigger event extends the first compliance period to  
15 December 31, 2012. Each subsequent sequential 3 calendar year period is a separate  
16 compliance period subject to a one-year extension if a stage-2 trigger event occurs during the  
17 compliance period. The compliance period shall never be longer than 4 calendar years.

18 V. "Consumer price index" or "CPI" means the U.S. Department of Labor, Bureau of  
19 Labor Statistics unadjusted consumer price index for all urban consumers for the U.S. city  
20 average, for all items on the latest reference base, or if such index is no longer published, such  
21 other index as the department determines is appropriate. The CPI for any calendar year is the  
22 12-month average of the CPI published by the United States Department of Labor, as of the  
23 close of the 12-month period ending on August 31 of each calendar year.

24 VI. "Department" means the department of environmental services.

25 VII. "Early reduction allowances" means allowances provided to affected CO<sub>2</sub> sources  
26 for eligible projects undertaken which have the effect of reducing emissions at the affected CO<sub>2</sub>  
27 source by an absolute reduction of emissions during calendar years 2006, 2007, and 2008,  
28 from a baseline approved by the department, through emission rate improvements or  
29 permanently reducing utilization of one or more units at a source.

30 VIII. "International trading programs" means international programs approved by the  
31 department such as the European Emission Trading Scheme (ETS) and offset credits  
32 established under the Clean Development Mechanism (CDM) to be used to obtain equivalent  
33 RGGI offset allowances.

34 IX. "Market settling period" means the first 14 months of any compliance period.

35 X. "Offset allowances" means allowances issued to projects determined to be eligible by  
36 the department undertaken outside of the electric power sector to reduce CO<sub>2</sub> or CO<sub>2</sub>  
37 equivalent emissions.

38 XI. "PSNH" means Public Service Company of New Hampshire or any successor to the

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1 company's public utility franchise.

2 XII. "Regional greenhouse gas initiative" or "RGGI" or "RGGI program" means the  
3 program to implement the memorandum of understanding (MOU) between signatory states,  
4 dated December 20, 2005, as amended on August 8, 2006 and April 20, 2007, and the  
5 corresponding model rule to establish a regional CO<sub>2</sub> emissions budget and allowance trading  
6 program for emissions from fossil fuel-fired electricity generating units.

7 XIII. "Regional organization" means a non-profit organization formed by the signatory  
8 states to RGGI to provide technical and administrative assistance for such things as: emissions  
9 and allowance tracking, offsets development and implementation, allowance market  
10 monitoring, and data collection. The organization shall have no regulatory or enforcement  
11 authority.

12 XIV. "Retire" means submitting a RGGI allowance to the department for compliance or  
13 other purpose or retaining a RGGI allowance by the department such that the allowance may  
14 never be sold or otherwise used again.

15 XV. "RGGI allowances" means a limited authorization to emit one ton of CO<sub>2</sub> issued by  
16 the department or other RGGI signatory state in accordance with this subdivision or the RGGI  
17 program and shall include budget allowances, offset allowances, and early reduction  
18 allowances.

19 XVI. "Stage-one trigger event" means a 12-month rolling average CO<sub>2</sub> allowance price  
20 that is equal to or greater than \$7 in 2005 dollars, such figure adjusted annually on January 1  
21 of each calendar year according to the consumer price index, but only when such a rolling  
22 average price occurs in any 12-month period beginning after the end of the market settling  
23 period.

24 XVII. "Stage-2 trigger event" means a 12-month rolling average CO<sub>2</sub> allowance price  
25 that is equal or greater than \$10 in 2005 dollars, such figure adjusted annually on January 1  
26 of each calendar year according to the consumer price index plus 2 percentage points, but only  
27 when such a rolling average price occurs in any 12-month period beginning after the end of the  
28 market settling period.

29 125-O:21 Carbon Dioxide Emissions Budget Trading Program.

30 I. The department shall establish and enforce a CO<sub>2</sub> emissions budget trading program  
31 consistent with this subdivision that shall be in substantial accordance with the RGGI  
32 program.

33 II. The program shall include a statewide annual budget allowance of 8,620,460 tons  
34 during the years 2009 through 2014. Beginning January 1, 2015 and ending December 31,  
35 2018, the budget shall decline by 215,512 tons per year, resulting in a 10 percent total  
36 reduction from the initial budget, after which it shall remain unchanged until further legislative  
37 action.

38 III. The department shall make available for sale at one or more auctions all of the

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1 budget allowances for a given year, except for those granted or reserved under RSA 125-O:22,  
2 VI, 125-O:24, and 125-O:25. The department may also make available for sale at one or more  
3 auctions a portion of future year budget allowances. Such auctions may be conducted in  
4 coordination with other states. Revenues from the sale of allowances shall be deposited in the  
5 greenhouse gas emissions reduction fund established under RSA 125-O:23.

6 IV. The department shall grant to affected CO<sub>2</sub> sources early reduction allowances, at  
7 no cost, for projects eligible to receive such allowances.

8 V. The department shall grant offset allowances to owners of eligible offset projects  
9 located in New Hampshire.

10 VI. The department and the commission shall report on an annual basis to the air  
11 pollution advisory committee under RSA 125-J:11 and the legislative oversight committee on  
12 electric utility restructuring under RSA 374-F:5, on the status of the implementation of RGGI  
13 in New Hampshire with emphasis on the prices and availability of RGGI allowances to affected  
14 CO<sub>2</sub> sources, and the trends in electric rates for New Hampshire businesses and ratepayers.  
15 The report shall include but not be limited to:

16 (a) The number of allowances sold in the RGGI program and the type of entities  
17 purchasing allowances;

18 (b) The number of unsold allowances in the RGGI program;

19 (c) The available price data of allowances from the regional auction and secondary  
20 markets;

21 (d) Market monitoring reports;

22 (e) The CO<sub>2</sub> emissions by affected source, state, and RGGI region;

23 (f) The spending of revenues from auction allowances by each RGGI state; and

24 (g) The allocation and spending of the greenhouse gas emissions reduction fund,  
25 including associated energy savings and emissions reductions.

26 VII. The department may establish and enforce the CO<sub>2</sub> emissions budget trading  
27 program in cooperation and coordination with other states or countries that are participating  
28 in regional, national or international CO<sub>2</sub> emissions trading programs with the same or similar  
29 purpose including:

30 (a) Entering into any agreement or arrangement with the representatives of other  
31 states, including the formation of a for-profit or non-profit corporation, any form of association  
32 or any other form of organization, in this or another state; and

33 (b) Participating in any such corporation, association, or organization, and in any  
34 activity in furtherance of the purposes of this subdivision, in any capacity including, but not  
35 limited to, as directors or officers.

36 VIII. Any actions taken under this subdivision by the department or the commission  
37 shall not constitute a waiver of sovereign immunity and shall not be deemed consent to suit  
38 outside of New Hampshire.

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1       125-O:22 Compliance; Permit Required.

2           I. Each affected CO<sub>2</sub> source shall obtain and retire a quantity of RGGI allowances  
3 equivalent to its CO<sub>2</sub> emissions from fossil-fueled fired generation for each compliance period.

4           II. An affected CO<sub>2</sub> source may use offset allowances for up to 3.3 percent of its  
5 compliance obligation, except that in a given compliance period:

6               (a) If a stage-one trigger event occurs, an affected CO<sub>2</sub> source may use offset  
7 allowances for up to 5 percent of its compliance obligation; and

8               (b) If a stage-2 trigger event occurs, the compliance period shall be extended to 4  
9 years and an affected CO<sub>2</sub> source may use offset allowances for up to 10 percent of its  
10 compliance obligation, including offset allowances or credits permanently retired from eligible  
11 international trading programs, as approved by the department.

12          III. Purchasers or acquirers of RGGI allowances may retain unused RGGI allowances  
13 without limit. Affected CO<sub>2</sub> sources may use retained RGGI allowances in future compliance  
14 periods.

15          IV. No person shall operate an affected CO<sub>2</sub> source without a temporary or operating  
16 permit issued by the department in accordance with this chapter and RSA 125-C. An affected  
17 CO<sub>2</sub> source that is in operation upon the effective date of this subdivision, shall submit a  
18 complete application for a permit modification to the department no later than January 1,  
19 2009. Applications for permits shall be upon such forms, and shall include such information  
20 as the commissioner requires under rules adopted pursuant to RSA 541-A. The commissioner  
21 shall act upon a permit application within a reasonable period of time.

22          V. In addition to the provisions set forth in RSA 125-O:7, an affected CO<sub>2</sub> source that  
23 fails to obtain and retire sufficient RGGI allowances during a compliance period, in accordance  
24 with RSA 125-O:22, I, shall obtain and surrender 3 RGGI budget or early reduction allowances  
25 in the next compliance period for each RGGI allowance that the affected CO<sub>2</sub> source was short  
26 in obtaining compliance.

27          VI. Budget allowances shall be provided to affected CO<sub>2</sub> sources as needed and upon  
28 request for CO<sub>2</sub> emissions in periods of operation during which an Operating Procedure 4  
29 capacity deficiency alert is in force as established by the ISO New England Inc. The  
30 department shall reserve from auction for such emergency conditions a quantity of allowances  
31 equal to one percent of the annual budget allowances which shall be the maximum made  
32 available in a given year under this section. The department shall directly sell these  
33 allowances to the affected CO<sub>2</sub> sources at the last regional auction clearing price. Those  
34 allowances reserved but not sold in a given year as provided in this section shall be auctioned  
35 the following calendar year.

36          VII. Upon recommendation of the commission, the governor with consent of the  
37 executive council may declare an emergency supply crisis, and the governor and council may  
38 allow affected CO<sub>2</sub> sources to forgo strict compliance with paragraph I for a given compliance

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1 period and be given reprieve from any associated penalties, provided that those affected CO<sub>2</sub>  
2 sources obtain and retire an additional number of allowances during the next compliance  
3 period equivalent to any shortfall in allowances that may have occurred for the compliance  
4 period during which the declared emergency was made.

5 VIII. A distribution company may recover the actual, prudent and reasonable costs of  
6 investments in carbon emissions reduction or capture technologies through its default service  
7 charge pursuant to RSA 369-B:3, IV(b)(1)(A), provided that the commission first determines  
8 that the investment is in the public interest.

9 125-O:23 Greenhouse Gas Emissions Reduction Fund.

10 I. There is hereby established a greenhouse gas emissions reduction fund. This  
11 nonlapsing, special fund shall be continually appropriated to the public utilities commission to  
12 be expended in accordance with this section. The state treasurer shall invest the moneys  
13 deposited therein, as provided by law. Income received on investments made by the state  
14 treasurer shall also be credited to the fund. All programs supported by these funds shall be  
15 subject to audit by the public utilities commission as deemed necessary. A portion of the fund  
16 moneys shall be used to pay for commission and department costs to administer this  
17 subdivision, including contributions for the state's share of the costs of the RGGI regional  
18 organization. Any new employee positions to be paid for using fund moneys shall be approved  
19 by the fiscal committee of the general court. The public utilities commission shall transfer  
20 from the fund to the department such costs as may be budgeted and expended, or otherwise  
21 approved by the fiscal committee and the governor and council, for the department's cost of  
22 administering this subdivision.

23 II. Fund moneys shall be used to support energy efficiency, conservation, and demand  
24 response programs to reduce greenhouse gas emissions generated within the state, which may  
25 include programs proposed and administered by private entities, as well as by the department,  
26 the commission, and other state and local governmental agencies.

27 III. At least 5 percent of the moneys shall be used to assist low-income residential  
28 customers, as defined by the commission and in a manner compatible with other low-income  
29 programs administered by the commission, to reduce total energy use including heating fuels.

30 IV. Notwithstanding paragraphs I, II, and III, all amounts in excess of the threshold  
31 prices listed below for any allowance sale made prior to January 1, 2016 that is deposited in  
32 the fund shall be rebated to all electric ratepayers in the state on a per-kilowatt-hour basis, in  
33 a timely manner, to be determined by the commission. For the following years listed, the  
34 threshold price shall be:

35 (a) 2009 and 2010, \$12/ton.

36 (b) 2011 and 2012, \$13/ton.

37 (c) 2013 and 2014, \$14/ton.

38 (d) 2015, \$15/ton.

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1 (e) After 2015, no threshold price.

2 V. All penalties collected pursuant to this subdivision shall be deposited in the  
3 greenhouse gas emissions reduction fund.

4 VI. In selecting programs to be funded under this section the commission shall  
5 consider, at a minimum, the extent to which the proposed program can be expected to:

6 (a) Reduce greenhouse gas emissions from all fuels used to provide electricity,  
7 heating, and cooling in New Hampshire;

8 (b) Be cost-effective;

9 (c) Reduce New Hampshire's peak electric load;

10 (d) Promote market transformation, innovation, and energy cost savings; and

11 (e) Otherwise be consistent with the public interest and the purposes of this  
12 subdivision.

13 125-O:24 Conversion of Allowances.

14 I. PSNH shall receive credit for allowances received prior to the inception of the RGGI  
15 program in the manner described in this section.

16 II. PSNH shall submit all necessary documentation to the department by January 30,  
17 2009 relative to compliance with RSA 125-O:3, III(d).

18 III. PSNH shall submit all necessary documentation to the department within 90 days  
19 of effective date of this paragraph relative to RSA 125-O:5, III.

20 IV. As soon as practicable after the start of the program, the department shall  
21 determine the number of allowances previously allocated to PSNH under RSA 125-O:3, II or  
22 awarded to PSNH under RSA 125-O:5, III, that remain in PSNH's account of CO<sub>2</sub> allowances  
23 held by the department as banked allowances, after the company has completed compliance  
24 with the emissions cap of RSA 125-O:3, III(d) for the 2007 and 2008 calendar years.

25 V. At the distribution rate specified in paragraph VI, the department shall grant to  
26 PSNH budget allowances, at no cost, equivalent to the total of the banked allowances pursuant  
27 to paragraph IV minus the early reduction allowances granted to PSNH under RSA 125-O:21,  
28 IV. PSNH shall be obligated to apply for early reduction allowances for any eligible projects it  
29 has undertaken. For each budget allowance granted, one banked allowance shall be retired.

30 VI. The department shall grant budget allowances pursuant to this section as  
31 expeditiously as possible, but in no event shall the amount of budget allowances granted  
32 pursuant to this section total more than 2.5 million allowances per year in years 2009, 2010,  
33 and 2011, 1.5 million allowances in any one year thereafter.

34 VII. In the event the state no longer participates in the RGGI program due to legislative  
35 action or the RGGI program becomes invalid or unenforceable as determined by the  
36 department and certified to the secretary of state, the department shall cease granting budget  
37 allowances pursuant to paragraphs V and VI. Notwithstanding the other provisions of this  
38 section, PSNH shall have no right or claim to receive any additional budget allowances under

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1 this section beyond those already granted to it up to that point in time when participation in  
2 the program has ceased or the program has become invalid or unenforceable. If this point in  
3 time occurs part way through a year, the number of budget allowances given to PSNH for that  
4 year shall be pro-rated based on the distribution rate in effect for that year, provided the total  
5 amount of allowances calculated pursuant to paragraph IV has not already been granted to  
6 PSNH.

7 VIII. The department shall not grant budget allowances after December 31, 2014  
8 pursuant to this section without legislative authorization to continue the granting of  
9 allowances. Notwithstanding the other provisions of this section, PSNH shall have no right or  
10 claim to receive any additional budget allowances under this section beyond those already  
11 granted by December 31, 2014, should the legislature not authorize continuation of the  
12 allowance granting.

13 IX. All remaining banked allowances held by the department originating from the  
14 calculation performed under paragraph IV, shall be retired after the department ceases to grant  
15 budget allowance in accordance with paragraph VII or VIII.

16 125-O:25 Set Aside for Voluntary Purchase of Renewable Energy Certificates.

17 I. The department shall reserve from auction, for retirement purposes, a quantity of  
18 budget allowances, not to exceed one percent of the annual budget, equivalent to the CO<sub>2</sub>  
19 emissions reductions associated with renewable energy certificates recognized under RSA 362-  
20 F and purchased voluntarily by electricity customers and not resold.

21 II. Budgeted allowances reserved under paragraph I not retired at the end of each year  
22 shall be auctioned the following calendar year.

23 125-O:26 Auction of Budget Allowances. Any rules adopted by the department relative to  
24 auctions, pursuant to RSA 125-O:8, I(d), shall provide that they:

25 I. Shall be conducted based on the schedule and frequency adopted by the department  
26 in consultation with other entities participating in the RGGI program;

27 II. Shall include the sale of allowances for current and future years to promote  
28 transparency and price stability in a manner to be determined by the department in  
29 coordination with the regional organization;

30 III. Shall include auction design elements that minimize allowance price volatility,  
31 guard against bidder collusion, and mitigate the potential for market manipulation;

32 IV. Shall include provisions to address, and to the extent practicable minimize, the  
33 potential for allowance market price volatility during the initial control period of the RGGI  
34 program;

35 V. Shall include provisions to ensure the continued market availability of allowances to  
36 entities regulated under a greenhouse gas emissions allowance trading program, taking into  
37 account the outcomes of auctions and monitoring of the allowance market, which may include  
38 the adoption of a flexible process that allows for ongoing modification of auction design and



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1 procedures in response to allowance market conditions and allowance market monitoring  
2 data, provided that the process allows for public comment and input; and

3 VI. May be open to all qualified participants, and all qualified participants may sell or  
4 otherwise agree to transfer any or all allowances to any eligible entity.

5 125-O:27 Review of the New Hampshire RGGI Program. At the time of the 2012  
6 comprehensive review by the signatory states as required in the MOU, the commission and the  
7 department shall concurrently review New Hampshire specific elements of the RGGI program,  
8 in particular 125-O:23, III and 125-O:25 and include the results of such review in the agencies'  
9 annual report under RSA 125-O:21, VI.

10 125-O:28 Cost Recovery. If the owner of an affected CO<sub>2</sub> source is a public utility  
11 pursuant to RSA 362:2 that provides electric distribution service pursuant to RSA 374-F, the  
12 owner may recover through the utility's default service charge all prudently incurred costs of  
13 complying with the requirements of this subdivision in a manner approved by the public  
14 utilities commission. In the event PSNH sells an affected CO<sub>2</sub> source, any cost recovery  
15 associated with this chapter shall be governed by RSA 369-B:3-a.

16 3 Carbon Dioxide Cap. Amend RSA 125-O:3, III(d) to read as follows:

17 (d) 5,425,866 tons annually applicable to total carbon dioxide (CO<sub>2</sub>) emissions from  
18 the affected sources until December 31, ~~[2010, and after December 31, 2010, a lower cap to be~~  
19 ~~recommended by the department no later than March 31, 2004, with timely consideration by~~  
20 ~~the legislature expected by July 1, 2005]~~ **2008.**

21 4 Emissions Trade and Banking. Amend RSA 125-O:6, I to read as follows:

22 I. Develop a trading and banking program to provide appropriate compliance flexibility  
23 in meeting the emission caps established under RSA 125-O:3, III **and allowance**  
24 **requirements of RSA 125-O:21 and RSA 125-O:22**, and to encourage earlier and greater  
25 emissions reductions and the development of new emission control technologies in order to  
26 maximize the cost-effectiveness with which the environmental benefits of this chapter are  
27 achieved.

28 5 Rulemaking Authority. Amend RSA 125-O:8 to read as follows:

29 125-O:8 Rulemaking Authority.

30 I. The commissioner shall adopt rules under RSA 541-A, commencing no later than  
31 180 days after the effective date of this section, relative to:

32 ~~[I-]~~ **(a)** The establishment of trading and banking programs as authorized by RSA 125-  
33 O:6, I.

34 ~~[II-]~~ **(b)** The establishment of a method for allocating allowances and other emissions  
35 reduction units or mechanisms as authorized by RSA 125-O:3, II and III.

36 ~~[III-]~~ **(c)** Emissions **and allowance** monitoring, **tracking**, recordkeeping, reporting, and  
37 other such actions as may be necessary to verify compliance with this chapter.

38 **(d) The method and requirements for auctioning budget allowances under**

1 ***RSA 125-O:21, which may use regional organizations.***

2 ***(e) Defining eligible projects for early reduction allowances under RSA 125-***  
3 ***O:21, IV, and establishing criteria to quantify and grant such allowances.***

4 ***(f) Defining eligible projects for offset allowances under RSA 125-O:21, V, and***  
5 ***establishing criteria to quantify and grant such allowances, including the***  
6 ***accreditation of third-party verifiers.***

7 ***(g) The forms and information required on applications for a temporary or***  
8 ***operating permit required under RSA 125-O:22.***

9 ***II. The public utilities commission shall adopt rules, under RSA 541-A, to***  
10 ***administer the greenhouse gas emissions reduction fund pursuant to RSA 125-O:23.***

11 6 Compliance dates Amend RSA 125-O:9 to read as follows:

12 125-O:9 Compliance Dates. The owner or operator of each affected source shall comply  
13 with the provisions of this chapter, excluding the subdivision on mercury emissions, RSA 125-  
14 O:11 through 125-O:18, ***and the subdivision for CO<sub>2</sub> emissions, RSA 125-O:19 through***  
15 ***RSA 125-O:28***, by December 31, 2006.

16 7 Non-Severability. Amend RSA 125-O:10 to read as follows:

17 125-O:10 Non-Severability. No provision of this chapter shall be implemented in a manner  
18 inconsistent with the integrated, multi-pollutant strategy or this chapter [~~in its entirety~~], and to  
19 this end, the provisions of this chapter are not severable, ***with the exception of RSA 125-***  
20 ***O:19-28, which if found to be invalid by a court of law, such invalidity shall not affect***  
21 ***the integrity of the multiple pollutant program provisions in RSA 125-O:1-18 that***  
22 ***precede and predate RSA 125-O:19-28.***

23 8 New Subparagraph; Application of Receipts; State Treasurer. Amend RSA 6:12, I(b) by  
24 inserting after subparagraph (268) the following new subparagraph:

25 (269) Moneys deposited in the greenhouse gas emissions reduction fund  
26 established in RSA 125-O:23.

27 9 New Section; Energy Conservation and Efficiency Board. Amend RSA 125-O by inserting  
28 after section 5 the following new section:

29 125-O:5-a Energy Conservation and Efficiency Board.

30 I. An energy conservation and efficiency board is hereby created to seek opportunities  
31 to coordinate energy efficiency and demand response programs in the state. The board's duties  
32 shall include but not be limited to:

33 (a) Review available energy efficiency and conservation programs and incentives and  
34 compile a report of available efficiency and conservation resources in New Hampshire.

35 (b) Develop a plan to achieve the state's energy efficiency potential for all fuels,  
36 including setting goals and targets for energy efficiency that are meaningful and achievable.

37 (c) Provide written advice at least annually to the public utilities commission on the  
38 administration and allocation of energy efficiency funds under the commission's jurisdiction.

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1 (d) Explore opportunities to coordinate programs targeted at saving more than one  
2 fuel resource, including coordination between the natural gas and other programs or projects  
3 which seek to reduce the use of other fuels.

4 (e) Develop tools to enhance outreach and education programs to increase  
5 knowledge about energy efficiency among New Hampshire residents and businesses.

6 (f) Expand upon the state government's efficiency programs to ensure that the state  
7 is providing leadership on energy efficiency, reducing its use of energy, and reducing the state's  
8 fuel costs.

9 (g) Encourage municipalities to increase investments in energy efficiency through  
10 financing tools, and to create municipal energy committees.

11 (h) Work with community action agencies and the office of energy and planning to  
12 explore ways to ensure that all customers participating in programs for low-income customers  
13 and the Low Income Home Energy Assistance Program (LIHEAP) have access to energy  
14 efficiency improvements in order to reduce their energy bills.

15 (i) Investigate potential sources of funding for energy efficiency and delivery  
16 mechanisms for such programs, coordinate efforts between funding sources to reduce  
17 duplication and enhance collaboration, and review investment strategies to increase access to  
18 energy efficiency.

19 II. The members of the board shall be as follows:

20 (a) The chairman of the public utilities commission, or designee.

21 (b) The director of the office of energy and planning, or designee.

22 (c) The consumer advocate, or designee.

23 (d) The commissioner of the department of environmental services, or designee.

24 (e) The commissioner of the department of resources and economic development, or  
25 designee.

26 (f) The president of the Business and Industry Association of New Hampshire, or  
27 designee.

28 (g) The executive director of the New Hampshire Municipal Association, or designee.

29 (h) A representative of energy services companies delivering energy efficiency  
30 services to residential and business customers, appointed by the chairman of the public  
31 utilities commission.

32 (i) The executive director of New Hampshire Legal Assistance, or designee.

33 (j) The president of the Homebuilders and Remodelers Association of New  
34 Hampshire, or designee.

35 (k) Two members of the house science, technology and energy committee appointed  
36 by the speaker of the house of representatives.

37 (l) One member of the senate energy, environment and economic development  
38 committee, appointed by the president of the senate.

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1 (m) Three representatives from groups representing energy, environmental,  
2 consumer, and public health issues and knowledgeable in energy conservation policies and  
3 programs, appointed by the chairman of the public utilities commission.

4 (n) One representative from the investment community with expertise in efficiency  
5 investments and financing, appointed by the chairman of the public utilities commission.

6 (o) One representative from each of the utility-administered electric and natural  
7 energy efficiency programs, appointed by the chairman of the public utilities commission.

8 III. The chairman of the public utilities commission shall call the first meeting of the  
9 board. The board shall elect a chairperson from among its members. The board shall make an  
10 annual report on December 1 to the governor, the speaker of the house of representatives, the  
11 president of the senate, the house science, technology and energy committee, the senate  
12 energy, environment and economic development committee, and the public utilities  
13 commission, to provide an update on its activities and recommendations for action.

14 IV. No member of the board shall vote on a matter in which the member, or the  
15 organization or entity represented by or employing the member, has a direct financial interest.

16 10 Repeal. RSA 125-O:5, III, relative to emissions allowances to PSNH for energy  
17 efficiency, new renewable energy projects, or conservation and load management projects, is  
18 repealed.

19 11 Contingency. If HB 1561 of the 2008 legislative session becomes law, section 9 of this  
20 act shall not take effect. If HB 1561 does not become law, section 9 of this act shall take effect  
21 October 1, 2008.

22 12 Effective Date.

23 I. Section 9 of this act shall take effect as provided in section 11 of this act.

24 II. The remainder of this act shall take effect upon its passage.

**Amendment to HB 1434**  
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2008-0770h

AMENDED ANALYSIS

This bill authorizes a cap-and-trade program for CO<sub>2</sub> emissions pursuant to the regional greenhouse gas initiative.

This bill also establishes an energy conservation and efficiency board.